GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:474
ANSWERED ON:26.02.2016
Investment in Real Estate
Singh Shri Sushil Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has taken a note of group investment in real estate offered by companies, if so, the details thereof along with the details of these companies;
(b) whether their business model comes under the SEBI guidelines and regulation;
(c) if so, the details thereof and if not, the action taken by the Government against these companies;
(d) whether Government has received any complaint from investors in this regard; and
(e) if so, the steps taken by the Government to save the investors from such companies?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) to (c) The Government is not aware of group investment in real estate offered by the companies. Securities and Exchange Board of India (SEBI) does not regulate real estate market. However, SEBI has notified the SEBI (Real Estate Investment Trust) Regulations, 2014 on September 26, 2014 which allows the investors to invest in the units of the real estate Investment Trust (REITS) which in turn invest primarily in rent generating real estate assets. However, no REIT has registered till date.
/2/
Further, Securities and Exchange Board of India (SEBI) regulates Collective Investment schemes (CIS) as defined under section 11AA of the SEBI Act, 1992.
Through press release dated 02.11.2015, SEBI has cautioned investors and general public cautioned that other than "GIFT Collective Investment Management Company Limited", no other entity is registered with SEBI under the CIS Regulations.
(d) No madam,
(e) Does not arise.